

**Council Chambers, Municipal Building, Baraboo, Wisconsin
Tuesday, September 29, 2020 – 7:00 p.m.**

Mayor Palm called the special meeting of Council to order.

Roll call was taken.

Council Members Present: Wedekind, Kolb, Plautz, Kent, Petty, Ellington, Sloan, Kierzek, Thurow

Council Members Absent:

Others Present: Capt. Sinden, Clerk Zeman, Adm. Geick, Atty. Truman, T. Clark, T. Pinion, P. Cannon, members of the press and others.

The Pledge of Allegiance was given.

Moved by Wedekind, seconded by Petty and carried to approve the agenda.

Compliance with the Open Meeting Law was noted.

PUBLIC INVITED TO SPEAK – None.

MAYOR'S BUSINESS

- The Mayor congratulated Tom Clark, Captain of the Fire Department and Fire Inspector, for his 20th Anniversary with the City of Baraboo.

COMMITTEE OF THE WHOLE.

Moved by Ellington, seconded by Petty, to enter Committee of the Whole to discuss:

1. The City retaining Baker Tilly to assist the City in applying for federal grant funds to be used for a Citywide Economic Development Study and, if the grant is awarded, to authorize City staff to continue to work with Baker Tilly on the Study.

P. Cannon explained that he was approached by representatives from Baker Tilly talking about various grant programs. This falls under the CARES Act Funding and instead of the usual 50/50 percent participation, this allows for 80/20 grant. It is a minimum of \$100,000 and has to economic development derived for the project. They talked at a staff level about the need to do a comprehensive development plan for not only the City, but to also invite the Village of West Baraboo. P. Cannon asked Baker Tilly for a proposal and they came back with a 2-phase proposal of \$15,000 to prepare the application and if we are awarded the grant, they would do the follow-up study for \$175,000. Baker Tilly would do the application only for a fee of, not to exceed, \$20,000-\$25,000 with no guarantee they would be awarded the 2nd phase of the grant. The project is a City Wide Economic Development Study with concentration on South Blvd. and the west side.

Ald. Kolb confirmed that this is something that needs to be done regardless and the grant is an 80/20 split with the City paying 20%. He questions the possibility of negotiating with Baker Tilly on part 2. P. Cannon notes that we can go out for bids; a decision the Council has to make. Ald. Kolb questions if they would be flexible enough to accept negotiations on the price.

Ald. Plautz questioned the need for Baker Tilly to complete this grant application. P. Cannon explains that they have the expertise and the time; at this point we don't have the staff to complete it in the time available.

Mayor Palm noted that the difference between 80/20 and 50/50 is quite substantial.

These applications are complicated and lengthy. Without knowing whether or not we are going to be successful in the grant application, it will be entirely up to the Council as to whether or not we will entertain a part 2 or not; there could be a cost savings by doing this.

Ald. Kolb questioned if the City has time to negotiate part 2. Mayor Palm explained that we negotiate or we have to go out for RFP. P. Cannon is concerned with the amount of time it will take to negotiate part 2 with Baker Tilly and bring it back for approval.

Atty. Truman explains that while the City does have a purchasing policy, there are some exceptions that can apply to the requirement to bid this out. One of these is the emergency situation for part 1 that P. Cannon is referring to. For part 2, there is an exception for professional services if the City Administrator agrees that this is the best professional service provider for this particular project. The City can always do what's in its best interest.

Ald. Sloan confirmed the total cost of the grant is \$190,000. P. Cannon confirms that he would make the application for the full \$190,000. The total cost for the City would be \$38,000.

2. The City entering into a Development Agreement with Rapid River Apartments, LLC, for 325 Lynn Street and to sell 325 Lynn Street to Rapid River Apartments, LLC, for the sum of \$1.25.

P. Cannon noted that this is an agreement to build the apartment complex on Lynn Street. He has negotiated with the new TIF District an incentive payment of 20% of their cost. We have basically negotiated a 20% economic development incentive based upon their property taxes.

We have also negotiated a \$5M minimum guarantee on the building which allows the payment schedule to work.

Ald. Kolb questioned the \$100,000 reimbursement is over and above the pay-go and why? T. Pinion explains that this is money the City would incur to finish the site for whoever is going to develop the site. There is some additional dirt work that needs to be done to accommodate a multi-family complex of this size. By giving them 60% back, the other 40% pays us back for expenses we occur. Ald. Kolb also questioned the language allowing them to dump contaminated soil. T. Pinion explained that we previously received grant funds to clean up this site. While excavating the site, they disposed of contaminated soil by hauling it to a landfill in Wisconsin Rapids and the cost for any additional contaminated soil is included in the \$100,000.

T. Pinion explained that in a TIF District, developer's incentive can come in two different fashions: there is a lump sum up front or the preferred method by a lot of communities is the "Pay Go". With the "Pay Go" method, they pay real estate taxes and the City then refunds, as a developer's incentive, a healthy share of those real estate taxes. If the assessed value comes in below \$5M, they still have to pay property taxes equal to the \$5M.

Ald. Sloan questioned what happens if this project fails down the road? What happens if they sell or go bankrupt? Atty. Truman noted that the property would not come back to the City but we would have the right to seek specific performance making them perform. Even

in a bankruptcy scenario, they would have to take certain steps to make us whole. There are legal steps that we can take.

Ald. Kent questioned if there are any special covenants for this project? T. Pinon noted that it comes in the form of a Planned Unit Development zoning that says they have to use the property for the 66-unit based on that site plan, those building elevations, and the colored rendering.

3. The Council approving the Baraboo Young Professional's Night Market Special Event License application and corresponding Picnic License application.

Mayor Palm read a letter that was written by the Sauk County Health Department and their recommendations that the Baraboo Night Market not take place on October 23, 2020. He also noted that Clerk Zeman did receive an email from Nicki Green, a member of the Baraboo Young Professionals, withdrawing both the Special Event Permit application and the Picnic License application for the October 23, 2020 Baraboo Night Market.

Moved by Ellington, seconded by Sloan, to rise and report from Committee of the Whole and return to regular session.

RESOLUTIONS

Resolution 20-97

Resolved, by the Common Council of the City of Baraboo, Sauk County, Wisconsin:

The Common Council hereby authorizes the City Administrator and City Clerk to execute an agreement on behalf of the City with Baker Tilly for Baker Tilly to work with staff to submit a grant application to the EDA and, if the grant is awarded, for staff to continue working with Baker Tilly pursuant to the terms of the agreement.

Moved by Sloan, seconded by Petty and carried that **Resolution No. 20-97** be approved-8 ayes, 1-nay (Kolb)

Resolution 20-98

Resolved, by the Common Council of the City of Baraboo, Sauk County, Wisconsin:

The Common Council hereby authorizes the City Administrator and the City Clerk to execute on behalf of the City the Development Agreement between the City of Baraboo and Rapid River Apartments, LLC, and to execute the corresponding quit claim deed for the property located at 325 Lynn Street, Baraboo, WI, on behalf of the City.

Moved by Kolb, seconded by Petty and carried that **Resolution No. 20-98** be approved-8 ayes.

ADJOURNMENT

Moved by Petty, seconded by Kolb, and carried unanimously, that the meeting adjourn at 7:44pm.